in 1945 to 1,100 in 1952; part of this is exported. Output of underwear and hosiery has also increased, from 18 tons in 1945 to 310 in 1952. 1/ 288

Other industries include soap making, with an annual output of 6,000 tons; tanning, with an annual output of 2,000 tons; electric bulbs, of which 500,000 are produced each year; and various iron and steel products, of which 8,000 tons were produced in 1952, compared with 900 in 1945. 388

Among the difficulties facing Lebanese industry, the most important is the very restricted market, due to the smallness of the population; this is only partly offset by the fact that per capita income is higher than in other Middle Eastern countries. The market is further restricted by the marked consumer preference for foreign goods, which, owing to the relatively liberal trade policy of the Government, has been allowed greater latitude than in other parts of the region. Another adverse factor has been the loss of the Syrian market, in which several Lebanese industries, notably cotton yarn, tanning, chemicals and beer, sold a large proportion of their output. Successful attempts have been made to open export markets, for example, for vegetable oils in Cyprus, France and Egypt, for cotton yarn in some western European countries and for cloth in India, Pakistan and West Africa. The precariousness of these markets was shown, however, when, during the depression in the world textile industry in 1952, restrictions were imposed on imports from Lebanon. Similarly, a barter agreement in 1953 with Pakistan, under which Lebanon imported raw cotton and exported yarn, was not renewed. As Lebanese plants seem to be somewhat larger than the regional average, 2/ the shrinkage of the market has forced most of them to work well below capacity, thus raising unit costs. 438

Another obstacle is the scarcity of raw materials; except for food processing industries, Lebanon is heavily dependent on imports. Moreover, in spite of a marked improvement in quality, it is still difficult to obtain sufficient quantities of uniform local produce. The dissolution of the customs union with Syria has also affected the supply of raw materials since there was formerly a greater amount of mutually advantageous specialization; for example, cotton-seed oil was imported from Syria for soap making, while Lebanese olive oil was exported to Syria. This factor has restricted the range of Lebanese industries; in 1950, three groups - food, textiles and non-metallic minerals - accounted for 60 per cent of the labour employed in all industry, 62 per cent of the capital invested and 58 per cent of the value of gross and net output. 3/ Nevertheless, 433 [439]

1/ Figures from the Ministry of National Economy.

2/ The average number of persons employed per establishment in Lebanon in 1948 was 17, compared with 14 in Egypt in 1947, and 14 in Palestine in 1942. Capital investment per establishment was LL 85,000, against LL 57,000 in Egypt and LL 48,000 in Palestine, and gross output per establishment LL 147,000, against LL 65,000 and LL 90,000, respectively (Albert Y. Badre, "National Income of Lebanon", Monograph No. 3). The industrial census of 1950 showed that, of the 1,444 firms listed, 25 had a capital of LL 1,000,000 or over, 29 had LL 500,000 to LL 1,000,000 and 45 LL 250,000 to LL 500,000 while, at the other end of the scale, 381 had a capital of LL 10,000 to LL 25,000 and 249 LL 5,000 to LL 10,000 (Ministry of National Economy, Bulletin statistique trimestriel, October 1951).

3/ Badre, op. cit.